

***United States Court of Appeals  
for the Second Circuit***



**APPELLANT'S  
REPLY BRIEF**





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# No. 74-2413

P/S

To be argued by WALTER D. AMES

IN THE  
UNITED STATES COURT OF APPEALS  
FOR THE SECOND CIRCUIT

MOORE BUSINESS FORMS, INC.,

*Plaintiff-Appellant,*

v.

MINNESOTA MINING AND MANUFACTURING COMPANY,

*Defendant-Appellee.*

APPEAL FROM THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF NEW YORK  
(Honorable John T. Curtin, District Judge)

REPLY BRIEF FOR PLAINTIFF-APPELLANT

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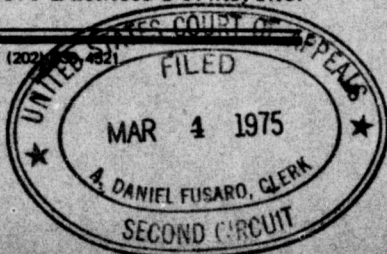
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REPLY BRIEF FOR PLAINTIFF-APPELLANT

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In this appeal from a holding of summary judgment of noninfringement of Moore Business Forms' Macaulay patent, the successful defendant-appellee, 3M, has filed a brief that might seem to warrant sincere consideration. Yet it is full of half-truths, omissions of relevant facts, and statements that have no basis in fact or law. How to refute such a brief without resorting to a document that

gives the impression of a scattering of birdshot is a problem that this reply brief will seek to overcome.

A patent case is usually difficult of correct determination, particularly when its subject matter is in the chemical field and of substantial complexity. So difficult is the task that in *General Tire & Rubber Co. v. Jefferson Chemical Co.*, 497 F.2d 1283, 1284 (2d Cir. 1974), Judge Friendly commenced the opinion by calling attention to "... the absurdity of requiring the decision of such cases to be made by judges whose knowledge of the relevant technology derives primarily, or even solely, from explanations by counsel and who ... do not have access to a scientifically knowledgeable staff."

This appeal is no exception. Its difficulty is heightened by the fact that the holding was made on summary judgment, thus denying to the district court the right, and to the patent owner, Moore, the opportunity through witnesses to explain the nature of the invention claimed in the patent and asserted to be infringed by 3M, as well as the file history and the prior art through the prism of which the patent claims must be viewed.

## I. 3M'S RESTATEMENT OF ISSUES AND ON THE CASE

### A. Restatement of Issues

As with its later restatement of the case, the restatement of issues made by 3M raises instant questions of fact. Indeed, issue (1) is a classic instance of "begging the question". Of course a claim that is truly "dependent" incorporates the entirety of its base claim. Here however claims such as representative claim 24 are not "dependent" by that definition. Such dependency is an issue of



fact and in framing its issue of law 3M has simply concluded the fact in issue in its favor.

Issue 2 is misframed. There is no "feature" (whatever that is) sought to be omitted from any claim. Moore simply says that its claimed capsules in a water slurry are functionally equivalent to the same capsules in dry form. The lower court and 3M refused to address the issue.

Issue 3 is utterly irrelevant because it is framed as though Moore had brought a motion for summary judgment that 3M infringes the Macaulay patent. Such is not the case. The issue is not whether Moore has proved that 3M infringes; the issue is whether 3M has proved on summary judgment that it does not infringe. Since the only basis for the motion is that 3M makes a water slurry of capsules rather than dry capsules, Moore's factual evidence properly compares wet and dry capsules rather than other characteristics of 3M capsules not relevant to the motion.

#### **B. Restatement of the Case**

What 3M doubtless jocularly describes as a restatement of the relevant facts, turns out simply to be an argument of the facts. Thus, in the section<sup>1</sup> beginning at page 7 of 3M's brief, 3M states "Macaulay Patent No. 3,016,308 in suit is directed to formation of dry free-flowing powders of microcapsules and products made therewith". This is an issue of fact and Moore vehemently denies that its asserted claims are so limited. Still on page 7, in the last full paragraph, 3M says: "Never are Macaulay's capsules

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<sup>1</sup> 3M's highly stylized brief which employs neither letters nor numbers to identify its points, makes reference to the brief or, indeed, an understanding thereof, exceptionally difficult. Moore will refer to that brief by page number, although such reference does not lend itself to precise reference.

described [in the patent] as being harvested in a water slurry. Never is a wet process disclosed except to be distinguished as having been known in the prior art."

With all restraint, this statement is simply false and 3M knows it. Example IV of the Macaulay patent in suit describes the production of microcapsules having urea-formaldehyde shells. That is the precise structure of the shell walls of the 3M capsules. In that example (Ex. Tab A-7), carbon black in mineral oil is emulsified into an aqueous solution of urea-formaldehyde resin. 600 parts of water were added while the agitation was continued. Then "... sufficient concentrated hydrochloric acid was added to produce condensation and precipitation of the urea formaldehyde resin" naturally, in the water. (Ex. Tab A-7) After being produced in the water, the capsules are filtered and dried.

3M knows all about Example IV. 3M's Dr. Ostlie reproduced Example IV in his affidavit (A. 52 to 64) in support of a 3M patent application. Dr. Ostlie himself made an emulsion, poured it into 600 parts of water and added hydrochloric acid to produce condensation and precipitation of the urea-formaldehyde resin in the water. The resulting mixture, a water slurry, was agitated and filtered. To say that 3M's statement raises an issue of fact is to be quite mild. Yet the lower court followed 3M down the line and never mentioned Example IV in its decision from which appeal is taken, regardless of Moore's protestations.

Moore controverts much more of this so-called factual restatement. It controverts the district court's summary of the Macaulay patent. (3M Br. 8) It controverts 3M's categorization of claims 24 to 29 of the Macaulay patent. (id) It controverts the assertion that the Macaulay patent

never became commercial (ibid p. 9), irrelevant as that assertion is. It controverts the statement, "Macaulay always maintained the Green patents disclosed paper coated only using wet capsules." (ibid p.10) It most certainly does disagree in its brief that the Green patents only disclose wet capsules and paper coated with such capsules. (ibid p. 10)

It would do no good to continue ad infinitum pointing out where 3M is wrong in its interpretation of facts. What is important is that this is supposed to be a statement of relevant facts. Because Moore is at issue with such a plethora of what 3M itself designated as the relevant facts, it should be more than apparent that this is not a case where there are no such issues of genuine facts and hence suitable for disposal under Rule 56, F. R. Civ. P.

### C. 3M's Characterization of the Patent Office Proceedings

In reviewing the Patent Office proceedings in its brief, pages 10 to 14, 3M chooses to review the history of patent claim 24 rather than both representative claims 11 and 24. The reason is obvious. Claim 11 was never amended. It is difficult to find, but 3M does admit this fact. (3M Br. 32) 3M concentrates on patent claim 24 which as correctly stated, was amended. Yet 3M's analysis of the file history of claim 24 proves the point: it was not amended to include free-flowing powder of microcapsules because such inclusion had no effect on patentability.

As the application claim originally read, there was no particularization of the composition of the microcapsules coated on the paper. Quite naturally, then, and correctly, the Patent Office Examiner rejected claim 15 as unpatentable over Green (2) or (3), the '457 and '458 patents

included in Tabs D and E of the Ex. to Joint Appendix. As 3M tells us (3M Br. 12), "Application claim 15 was amended to narrow it to the microscopic capsules 'defined by [application] claim 23'." Yet application claim 23 was already directed to a free-flowing powder. That application claim is found in Ex. Tab B, pages 58 and 59.

It will be noted that while the claim recites a free-flowing powder on which 3M lays such emphasis, it says nothing about the composition of the shell wall of the capsule. Since, according to 3M, the reason for allowability of claim 24 was its reference back to "a free-flowing powder", one would have expected application claim 15 (patent claim 24) then to be allowed. Such was not the case. Neither application claims 15 nor 23, to which it referred back, were allowed. The Examiner persisted in his rejection on Green (2) (Ex. Tab B-77), stating that the reference taught "free-flowing powders" and ". . . that the granules containing the marking fluid may be applied to a paper substrate." The Examiner obviously being correct, Macaulay changed his reference back from application claim 23 to application claim 36, which set forth the *composition* of the shell wall of the capsules. On allowance, application claim 36 issued as patent claim 11, the basic capsule claim and one of the representative claims repeated in full in the Brief for Plaintiff-Appellant, p. 14. It is also found in Ex. Tab A-9.

Claim 11 claims the composition of the shell wall of the microscopic capsules by reciting that it comprises a material selected from the class consisting of a non-ionizable, water-soluble film-former and hydrophobic, water-insoluble film-former. The urea-formaldehyde resin used in Moore's MCP paper, in 3M's Type 200



paper and capsules, and produced in an aqueous slurry in Example IV of the Macaulay patent, is an example of the latter type of film-former. So referring to application claim 36, application claim 15 was finally allowed. It became independent patent claim 24, incorporating part of claim 11 by reference.

3M makes much of the arguments of Macaulay before the Patent Office, and of course Macaulay did argue that one part of his invention was a process for spray-drying capsules, and that it differed from the processes of the Green patents because, although Green spray-dries, he does not simultaneously form capsules and dry them by a spray-drying. (See *infra* p. 15) With respect to his inventive product, such as capsule claim 11, Macaulay's solicitor, in his appeal brief, finally recognized the essence of the Macaulay product invention. So, he urged the Patent Examiner at Ex. Tab B-115:

"While the Green patent may provide a free-flowing powder of capsules, he employs different film-formers and thereby obtains a shell which is different from that of appellant's capsules."

## II. CLAIMS 24 TO 29 REFER BACK TO THE CAPSULES OF CLAIM 11, NOT A FREE-FLOWING POWDER OF THOSE CAPSULES

A prime point, indeed it is labeled as decisive<sup>2</sup> (3M Br. 19), is the issue of whether a claim such as claim 24 incorporates by reference what it says—capsules—or whether it incorporates a free-flowing powder, which it does not recite. It will be recalled that claim 24 terminates, "... said microscopic discrete capsules being

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<sup>2</sup> It is only decisive if determined in favor of Moore. If 3M prevails, the issue of file wrapper estoppel is still present.

those defined by claim 11." Yet claim 11 commences, "A free-flowing powder of microscopic discrete rupturable capsules having [an outer shell formed from a specific material] . . . ." Moore has asserted, it hopes quite convincingly, that ". . . claims 24 to 29 are literally infringed; there is no need to resort to equivalence." (Par. IV D of Moore's Brief on Appeal, pp. 44 et seq.)

First and foremost, Moore believes that by the words, "said capsules", it is apparent that claim 24 was referring to capsules, not a free-flowing powder of capsules. Had it meant to refer to the powder, it would have been simple to say, "said powder comprising capsules. . . ." Moreover, a free-flowing powder of capsules would simply free-flow off any paper and therefore render that paper useless for its intended function.<sup>3</sup>

At pages 19 to 22 of its brief, 3M vigorously declares to the contrary and cites *Zenith Radio Corp. v. Lehman*, 121 F.Supp. 69 (S.D.N.Y. 1954), aff'd *per curiam* at 217 F.2d 954 (2d Cir. 1955) "on Judge Weinfeld's opinion". Judge Weinfeld's opinion, so heavily relied on by 3M, is beautiful in its logic. It is a renewal of faith in the ability of the judicial system to determine patent infringement actions.

The *Zenith* case is important. It is 3M's only case in point and it is worthy of far more than the micron-deep attention paid to it by 3M's brief. In *Zenith*, both the patent owner and accused infringer agreed that the issue

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<sup>3</sup> Unfortunately, although urged extensively, the lower court did not see fit to refer to Moore's contention that claims 24 to 29 were literally infringed without need for application of the doctrine of equivalence, except perhaps indirectly when it stated, "The claims that defendant is charged to infringe . . . are all either directed to or defined by a process for producing a free-flowing powder." (A. 84)

was ripe for summary judgment. (121 F.Supp. at 71) The issue was whether claims 9, 19 and 20 were directed to the combination of a transmitter and a receiver, or simply a receiver alone. Zenith, the declaratory judgment plaintiff, asserted that although the claims in issue commenced, "A receiving apparatus as claimed in claim [18] . . .", they incorporated the transmitter by reference. If those claims were limited to a receiving apparatus, Zenith infringed; if they were directed to the combination of a transmitting and receiving apparatus, Zenith did not infringe.

Just as with 3M, Zenith asserted that since a claim such as claim 9 referred back to a preceding claim, it was a "dependent" claim and that, according to the Patent Office rule then in effect, a dependent claim included all the limitations of the claim from which it depended. As with Moore, the patent owner Lehman asserted that claim 9, while referring back to a preceding claim that included the combination of transmitter and receiver, only claimed a receiver, i.e., that Lehman's claims 9, 19 and 20 were not truly "dependent" claims.

After stating that the claims in issue must be read, as in any contract, with reference to the intent of the parties, Judge Weinfeld called particular attention to the rule in this circuit that "... in the consideration of a file wrapper we do not look at the arguments of the applicant to the Examiner." (121 F.Supp. at 73) Then he began an analysis and exercise in logic that is sincerely recommended to this Court of Appeals and on which 3M has not commented. Judge Weinfeld determined in favor of the infringer, Zenith, but he did not do so arbitrarily. He traced the file history in a manner that would do credit to any patent attorney. Without here repeating the words of pages 73 and 74 of 121 F.Supp., Judge Weinfeld

traced the history of application claim 18 that ultimately became patent claim 9. Application claim 14, to which claim 18 referred back, had been directed to a receiver alone and, after rejection, was canceled in favor of claim 43, directed to the combination of the transmitter and receiver. Claim 18 was canceled and replaced by claim 45. Claim 45, which became patent claim 9 in issue, recited the language in dispute, "A receiving apparatus according to claim 43. . . ." Both claims 43 and 45 were rejected. There was still another amendment, in which application claim 43 was changed while claim 45 remained unaltered. The change in claim 43 was by "... a very explicit and exact description of the loops in the conducting circuit"<sup>4</sup> of the transmitter. Then application claim 43 and unamended application claim 45 were allowed together.

On this factual basis Judge Weinfeld logically concluded that because combination claim 43 had relied for allowance on a change in the transmitter, not receiver part of the claim, and because previously nonallowed claim 45 was allowed with claim 43 and without other amendment, claim 45 must have included the transmitter of claim 43.

The same analysis made in *Zenith* can be applied to Macaulay patent claim 24, referring to the file wrapper, Ex. Tab B. Claim 24 originated as application claim 15. As originally filed, claim 15 (Ex. Tab B-50) did not specify any particular composition of the capsule shell. Therefore, it was found unpatentable over Green (2) (Ex. Tab D) or Green (3) (Ex. Tab E). It was so rejected in Patent Office paper No. 4. (Ex. Tab B-56) Macaulay then amended claim 15 to add to it, "... said microscopic discrete capsules being those defined by claim 23." (Ex. Tab

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<sup>4</sup>121 F. Supp. at 74.



B-63) Yet application claim 23 (itid 58, 59) began, "A free-flowing powder of microscopic discrete rupturable capsules. . . ."

By analogy to the *Zenith* reasoning, 3M's position should now be that since the free-flowing powder limitation was now contained in allegedly dependent application claim 15 and independent application claim 23, the Patent Office allowed both claims. Of course, 3M cannot take that position because the Patent Office did not allow the claims, as it did in *Zenith*. Indeed, application claim 23 was still rejected as unpatentable over Green (2), the Examiner stating, "This reference relates to free-flowing powders of the type claimed." (Ex. Tab B-77) Now claim 15 was amended by making it dependent on application claim 36, which became representative patent claim 11. That claim defined the composition of the capsule shells, which distinguish the capsules from those of Green.

Although it took an appeal brief to convince the Examiner, this was the form in which both patent claims 11 and 24 were issued. It was only when both claims were limited to the composition of the capsule shells that they were both allowed. So, rather than supporting 3M's position, application of the rationale of *Zenith* shows that there was no allowance until the capsule shell composition was identified and that the "dry free-flowing powder" limitation 3M attempts to graft onto claim 24 not only would make that claim inoperable but did not result in patentability of that claim, or any other claim of the Macaulay patent.

### III. 3M's EVASIVE FILE WRAPPER ESTOPPEL ARGUMENTS

When there is a clear definition of file wrapper estoppel in a recent Supreme Court decision that provides the latest word, it is beyond comprehension<sup>5</sup> how that definition can be avoided. Yet adhering to its position before the lower court, 3M disregards *Graham v. John Deere Co.*, 383 U.S. 1, 33 (1966), where it is stated:

"Claims as allowed must be read and interpreted with reference to rejected ones and to the state of the prior art; and claims that have been narrowed in order to obtain the issuance of a patent by distinguishing the prior art cannot be sustained to cover that which was previously by limitation eliminated from the patent."

As it must, 3M grudgingly admits that patent claim 11 was never amended since its first appearance in the application as claim 36. Consequently, following the *Graham* test, there is no file wrapper estoppel. Further, since application claim 36 replaced no capsule claim that did not have the recitation, free-flowing powder, there can be no file wrapper estoppel with respect to that term in patent claim 11. This is true under the *Graham* test or under *Exhibit Supply Co. v. Ace Patents Corp.*, 315 U.S. 126 (1942) on which 3M and the district court preferred to rely. Yet the lower court never looked into the file history to see what claims had been narrowed and what claims had not been narrowed, or how they had been narrowed, or what claims, if any, they replaced.

3M is left to the task of somehow telling this Court that while patent claim 11 of the issues patent was never

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<sup>5</sup> Since 3M is counting the number of times Moore is amazed in its brief, that term will be used as little as possible.

narrowed, the narrowing of claim 24 has the same effect as if claim 11, itself, had been narrowed. For this unusual proposition 3M cites *Schriber-Schroth Co. v. Cleveland Trust Co.*, 311 U.S. 211 (1940). (3M Br. 32) *Schriber-Schroth* is not easy reading. After citations, what is quoted by 3M is immediately followed by:

"The patentee may not, by resort to the doctrine of equivalents, give to an allowed claim a scope which it might have had without amendments, the cancellation of which amounts to a disclaimer. [citations omitted] The injurious consequences to the public and to inventors and patent applicants if patentees were thus permitted to revive cancelled or rejected claims and restore them to their patents are manifest." [citation omitted] At 311 U.S. 221.

So, the *Schriber-Schroth* dissertation on claim construction seems to expand somewhat the *Graham* definition of file wrapper estoppel. Expressed simply, a patentee cannot cancel something from a claim or add something to the claim and then successfully assert for the claim a scope it had before it was amended. The facts of *Schriber-Schroth* measure the decision. They are unusual: rather than being narrowed, some claims were actually broadened. As the Supreme Court said,

"... it does not appear why the patent office allowed the broad claims after rejecting the narrower ones. But in any case the patentee, having acquiesced in their rejection, is no longer free to gain the supposed advantage of the rejected claims by a construction of the allowed claims as equivalent to them." 311 U.S. at 221, 222.

That is what *Schriber-Schroth* held, and it is a holding that is not likely to occur often. The Patent Office does

many strange things, but it rarely rejects narrow claims, then allows broad ones.

Taken together, *Graham*, *Exhibit Supply Co.* and *Schriber-Schroth* simply say that if you narrow or expand a claim, either by direct amendment or by substituting it for another claim that is simultaneously canceled, to avoid the prior art, you cannot assert that your new claim has a scope it would have had if it had not been narrowed or expanded. Since Macaulay patent claim 11 did not replace another claim that, hypothetically, did not include the term free-flowing powder, and was never amended, it is not understood how *Schriber-Schroth* can help 3M in any file wrapper estoppel situation.

*Exhibit Supply Co.* is a more usual type of fact situation where an application claim that recited means "carried by the table" avoided the prior art by changing that phrase to "embedded in the table". Naturally, the patentee could not thereafter assert as an infringement means simply carried by the table. This was a strict case of amendment of a claim, and just bears no relation to Macaulay patent claim 11, which was never amended.

Macaulay claim 24, of course, was amended but, as pointed out hereinbefore, to further define capsules and not the inoperable free-flowing powder of capsules as a coating on paper. Had the Macaulay claim 24 been so amended, it is not seen how that would reflect on claim 11. Claim 24 is directed to a record copying sheet; claim 11 recites microscopic capsules. Were there any reason, which there is not, why Macaulay would have had to limit his paper claims to those coated with a free-flowing powder, such reason would not apply to a claim drawn to the capsules, themselves. This is not an instance where an amendment to one of two parallel claims might be deemed to apply to the other. It will be apparent that



rather than parallel, these claims are combination-subcombination claims. Had the free-flowing powder recitation of claim 11 been added by amendment to claim 24, it is illogical to then seek to restrict claim 11 to its specific terms, since no more than was in claim 11 could be transferred to claim 24. 3M's argument is recondite and of the bootstrap variety.

Of course, nothing like this was dreamed of by the district court, which based its holding on remarks made with respect to nonasserted claims directed to subject matter completely different from the claimed capsules and coated paper.

#### IV. THE NONASSERTED PROCESS CLAIMS ARE IRRELEVANT

Regardless of the form of the claims, i.e., process, capsule and paper claims, there are two markedly different inventions claimed in the Macaulay patent. One differs from the prior art by capsule shell composition; the other distinguishes the art by spray-drying liquid droplets. Typical of the nonasserted process claims is claim 1, which is directed to a process of forming an emulsion of liquid droplets and spray-drying them simultaneously to form and dry capsules. Macaulay obtained claims directed to this invention over Green (2), U. S. Patent No. 2,800,457 (Ex. Tab D), which discloses spray-drying at Ex. Tab D-167, column 6, line 39, because, as Macaulay said, Green forms his capsules in an aqueous slurry, then spray-dries the capsules. These process claims have never been asserted against 3M by Moore.

Claims relating to another distinct invention include those asserted against 3M in this action. Typically, they are claim 11, the basic claim directed to capsules, claims 24 to 29, the paper or record sheet claims, and a single

process claim, claim 8, which has not been particularly emphasized. These claims do *not* recite spray drying, but rely on the composition of the shell of the capsules. Green, the best prior art, formed his capsules with shells of coacervates, such as gelatin. Macaulay formed his shells from two classes of materials, foremost of which was a hydrophobic, water-insoluble film-former, typified by a chemical condensation polymer such as urea-formaldehyde. When Moore refers to nonasserted claim, it is referring to the spray-drying process claims.

Moore never said the district court could not *consider* the nonasserted spray-drying process claims. What Moore said commencing at page 23 of its brief on appeal, that the quotations that form the basis of the order on appeal are irrelevant to the claims in issue. No asserted claim recites spray-drying or spray-evaporation; yet the lower court determined, "The conclusion seems inescapable that the patent office granted the Macaulay patent with the limitation that the process patented was the process of producing microcapsules by spray-drying." (A. 89) As George Santayana once said, "A storm is lightning to the deaf and thunder to the blind." The lower court only looked at part of the picture, and that part related to spray-drying, which was never asserted because Moore has never believed 3M infringes it.

#### V. BLATANT ERRORS IN THE 3M BRIEF

There are so many just plain misstatements or statements calculated to mislead in 3M's brief that a thorough exhumation of them would cause counsel to exceed his allotted space. Therefore, they will be referred to with brevity.

### **A. 3M's Wet Process**

Pulled out of context at 3M's Br. 16, Moore did not admit generally that 3M's contention that its process is wet should be accepted as factually correct. What Moore said was that because it had been unsuccessful in obtaining a ruling on five pending Rule 37 Motions to obtain discovery to disprove it, 3M's contention had to be accepted on this motion.

### **B. 3M's Comma Invention**

In 3M's Br. 18 it attempts to rewrite the lower court's statement that all of the claims charged to infringe are "... either directed to or defined by a process of producing a free-flowing powder ..." by inserting commas where none existed. The commas exist only in 3M's imagination. That the lower court thought that all of the claims were imbued with process limitations is confirmed by its statements at A.89 that "... the entire thrust of the patent applicant's two revisions was to distinguish his process..."; "... that the patent office granted the Macaulay patent with the limitation that the process patented..."; and "... that the applicant intended to distinguish the process by which the shell wall is produced by drying from the process of producing the shell wall in aqueous dispersion." 3M knows as well as Moore that only one of the asserted claims, claim 8, is directed to a process.

### **C. The District Court Considered Equivalence to be a Question of Law**

At 3M's Br. 22, 3M criticizes Moore's statement that the Judge considered equivalence to be a question of law, while agreeing that Judge Curtin did so consider it. Judge Curtin recognized that equivalence is normally a question of fact. What he should also have recognized is that in

this case, where equivalence is strongly contested, it is an issue of fact.

#### **D. Remand for Trial is Necessary**

At pages 23 and 24 of its brief 3M has the temerity to insist that Moore does not want the case remanded for trial. That statement is utterly ridiculous; in its conclusion at Br. 60, Moore asks for remand. What Moore said at Br. 35 in footnote 13 is that this Court has the alternative of (1) remanding to ask the lower court to consider the Green patents it never examined, or (2) looking at the Green patents itself to see that they disclose dry, free-flowing powders of capsules, then reversing and remanding for trial.

#### **E. The Burns Affidavit was Improperly Rejected**

In attempting to show that the lower court considered the Burns affidavit and did not reject it, 3M once again attempts to rewrite the opinion appealed from. At A. 82, after stating that the affidavit of Mr. Burns contains "... his opinion that there is no file wrapper estoppel", the judge concluded, "The court considers this affidavit as legal argument only." What that obviously means is that the court considered the Burns affidavit to be only legal argument. 3M says that the court actually did consider it; however, regardless of the consideration the lower court gave to the Burns affidavit, that consideration was not sufficient for the court even to refer further to it.

More important, however, is the fact that, while it did contain legal conclusions, the Burns affidavit was primarily directed to the facts in issue. It recited the facts of the file history of several claims asserted against 3M, including representative claims 11 and 24. It analyzed the prior art: Mr. Burns swore that "... Green (2) and Green



(3) both disclose that the capsules may be applied either with or without intermediate spray-drying." (A. 45) This was not legal argument over what the prior art Green patents disclose; it was fact testimony by an expert in interpreting prior art patents and in Patent Office procedures. Since there was no adverse affidavit testimony by 3M, the court could not disregard Mr. Burns' affidavit where it swore to facts unless, of course, the lower court considered those statements so patently false as to be worthy of complete disregard. As the lower court never looked at the Green patents, it is difficult to see how it could adopt the latter position. Even assuming that Judge Curtin did consider the Burns affidavit, but only as legal argument, he thereby ignored its sworn, factual probity—a fatal error.

**F. The Macaulay Patent Discloses an  
Aqueous Slurry of Capsules**

At pages 25 to 30 of its brief 3M belabors that the "thrust" of the Macaulay disclosure was to a free-flowing powder of capsules. Certainly dry capsules were a part of one aspect of the Macaulay invention. However, since each claim measures a separate patent grant, each claim must be examined.

As previously pointed out in this reply brief, Example IV of the specification clearly discloses the production of urea-formaldehyde capsules in a water slurry. Further, while Macaulay did call attention to an advantage in being able to disperse dry capsules in a non-aqueous binder, reference to Table 2 of the Macaulay patent (Ex. Tab A-8) will show in the extreme right column that where a binder solvent or dispersion medium was employed, four times it was water and four other times it was an organic solvent. So, there certainly was support in the disclosure of the Macaulay patent and, therefore, a

*quid pro quo*, for claims that cover capsules dispersed in water. As for Macaulay's testimony, he thought that his patent was *basically* on free-flowing capsules; indeed, a large part of it was on spray-dried, free-flowing capsules. However, by the doctrine of equivalence, it would likewise cover the identical capsules dispersed in water, since in Table 2 such a dispersion is clearly shown.

#### G. The Prior Art is Necessary to Any Determination of File Wrapper Estoppel

At pages 37 and 38 of its brief, 3M insists that one can determine whether claims distinguish the prior art—without the prior art. 3M appears to take the position that the court had all it needed to know, because 3M told it about the prior art. In addition, Macaulay's solicitor and the Examiner apparently also told the court of the prior art. It is elementary that such second-hand statements of hearsay are irrelevant to prove the truth or falsity of the contents of the prior art. Since Rule 56(e), F. R. Civ. P., specifically recites, "Supporting and opposing affidavits shall be made on personal knowledge, shall set forth such facts as would be *admissible in evidence*..." [emphasis added], such inadmissible hearsay clearly does not meet the requirements of the summary judgment rule.

Indeed, where, as here, there is an apparent conflict between what Moore says is in the Green patents (a clear teaching of free-flowing powders of capsules as well as aqueous dispersions of capsules) and what 3M says is in those patents (who knows?), how else can any court resolve the dispute other than to look to the Green patents? It must be kept in mind that this case was determined on summary judgment, where, other than arguments of counsel, the only evidentiary proof of the contents of the Green patents was made in the Burns

affidavit submitted by Moore and erroneously discarded as legal argument only by the court. Moore is still amazed by their absence; it could not imagine that 3M, in moving for summary judgment, would not offer the prior art in evidence.

#### **H. The Burden is on the Summary Judgment**

##### **Movant to Show an Absence of Material Fact Issues**

3M, at page 39 of its brief, says that "The burden was not on either party to *prove* equivalency, or lack of it. . ." This statement is in conflict with the recent holding of this court in *Cali v. Eastern Airlines, Inc.*, 442 F.2d 65, 71 (2d Cir. 1971), "... that the moving party has the burden of showing an absence of any material factual issue for trial. . ." The courts hold the movant to a strict standard in that regard. See 6 Moore's Federal Practice, 2d ed. p. 2336. Moreover, even were the basic facts not in dispute, summary judgment is still improper where the parties disagree as to the inferences to be drawn from these facts. *Tee-Pak, Inc. v. St. Regis Paper Co.*, 491 F.2d 1193 (6th Cir. 1974). See also *S. J. Groves & Sons Co. v. Ohio Turnbike Comm'n*, 315 F.2d 235 (6th Cir. 1963), where the court said it was unable satisfactorily to review the judgment without findings of fact.

At Br. 40, 3M must believe that this Court is not going to read any of the appendix, when it quotes the undersigned counsel as having conceded the burden of proof. Mr. Ames is certain that if this Court will review the colloquy at A. 34, it will see that what he said was that he believed that 3M had the burden, but if the Court was indicating that it would grant summary judgment against Moore unless he put in affidavits, he would put in affidavits. The ineptitude of counsel aside, it would nevertheless be impossible for any attorney to assume improperly and to the detriment of his client, a burden placed by law on the opposing party.

### I. The Swiercz Affidavit, Standing Uncontroverted, Precludes Summary Judgment

Commenting at page 40 of its brief, 3M attacks the Swiercz affidavit on several unsupportable bases. First, it says that "Swiercz characterizes neither of his drawdowns as containing 'microcapsules'." (3M Br. 41) Since Mr. Swiercz says that he has been asked to apply a slurry of microcapsules to paper sheets (A. 47), and did so, his affidavit would certainly be misleading if the drawdowns did not contain microcapsules—and the affidavit is not misleading. This type of argument characterizes 3M's entire approach to its own motion for summary judgment, in which it avoids affidavits of its own on the fact issue of equivalents. Does not 3M have a microscope with which to examine the Swiercz exhibits? Or has it examined those exhibits and seen that there are microcapsules present, but hopes to convince this Court to the contrary regardless of the facts?

Next, 3M complains that Swiercz simply made two sheets of carbon paper. Swiercz coated two sheets of paper with a coating of microscopic, discrete, rupturable capsules. Those record copying sheets were precisely in accordance with what is claimed in Macaulay's claim 24. The fact that Macaulay's Example IV happens to utilize carbon black so as to produce a black ink, is utterly irrelevant to the issue of whether paper coated with a slurry of capsules and paper coated with a slurry of capsules that have previously been dried are equivalents. Would it make any difference if Swiercz had used methyl orange or malachite green in its microcapsules rather than carbon black? One would, upon rupturing the capsules, get a different color, but the equivalence of wet and dry capsules is what is here in issue. If use of the word, carbonless, in Moore's brief may be unclear, it simply means that no separate sheet of carbon paper is required.



3M says that Swiercz should have tested the accused Type 200 paper and the capsules employed to make it. (3M Br. 43) *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 339 U.S. 605 (1950) is cited. As pointed out before, the issue on equivalence is whether a dry, free-flowing powder performs substantially the same function in substantially the same way and accomplishes the same result<sup>6</sup> as the same capsules in a water slurry. At trial, when Moore proves infringement, it is confident that it will be able to show that 3M's capsules and paper fall within the scope of the asserted claims. For the present it has submitted affidavits only to refute evidence 3M should have submitted in support of nonequivalence. 3M, by the Ostlie affidavit, averred only that its capsules are formed in a water slurry and never dried (A. 21), thereby framing the sole issue.

As did the lower court, 3M refers to *Sanitary Refrigerator Co. v. Winters*, 280 U.S. 30, 36 (1929), for a statement that infringement is a question of law "upon the undisputed evidence". Certainly it is, when the facts and inferences therefrom are not in dispute and all that is left is an issue of law, whether it is the law of patents or the law of negligence. Here the facts are in dispute, and vigorously so. Of course, if the subject matter in dispute is so simple that no expert testimony is required to interpret the prior art or the file history of the patent, such as in a simple mechanical case, summary judgment can be appropriate. But cf. *Colourpicture Publishers, Inc. v. Mike Roberts Color Productions, Inc.*, 394 F.2d 431 (1st Cir. 1968). This most certainly is not that type of simple case.

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<sup>6</sup> The Graver Tank test, 339 U.S. at 608.

## VI. UNRESOLVED GENUINE ISSUES OF MATERIAL FACT

Since 3M has chosen to argue facts in its brief, Moore can now enlarge on what apparently impressed 3M so much, namely, an itemized statement of facts in issue identified as (a) to (g) in the Brief for Plaintiff-Appellant, p. 59.<sup>7</sup> To add just one more issue: (h) whether Macaulay discloses the formation of capsules in an aqueous medium.

## VII. CONCLUSION

Moore again asks that the order appealed from be reversed, with costs, and the case remanded to the United States District Court for the Western District of New York.

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March 3, 1975

<sup>7</sup> By stating "Moore waits until Br. 59 to drop a bomb, which, if only fused, would secure reversal here" 3M agrees to the materiality and factuality of those issues but in effect says that they are not genuine or should be resolved in 3M's favor and makes reference to prior portions of its brief. Yet argument does not overcome affidavit evidence. Probative evidence at trial does.

IN THE  
**UNITED STATES COURT OF APPEALS**  
FOR THE SECOND CIRCUIT

MOORE BUSINESS FORMS, INC.,

Plaintiff-Appellant,

No. 74-2413

v.

MINNESOTA MINING AND MANUFACTURING  
COMPANY,

Defendant-Appellee.

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